

FISCAL NOTE

Bill #: HB 416

Title: Interlocal agreements for programs for drop-outs

Primary

Sponsor: Carol C. Juneau

Status: Introduced

Sponsor signature _____ Date _____

Chuck Swysgood, Budget Director _____ Date _____

Fiscal Summary

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
Expenditures:		
General Fund	0	1,111,422
Net Impact on General Fund Balance:	0	(\$1,111,422)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

- Under current law, the average number belonging (ANB) in K-12 public schools will be as follows:

	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>
K-6 ANB	79,901	78,169	76,405
7-8 ANB	26,113	25,459	25,147
9-12 ANB	<u>51,524</u>	<u>51,046</u>	<u>50,795</u>
Total ANB	157,538	154,673	152,347

- Based on the October 2000 enrollment count, school districts enrolled 231 students who turned 19-years old on or before September 10, 2000. OPI is not able to identify the number of students who are at least 19 years old and less than 22 years old. For purposes of this fiscal note, the assumption is made that all of these students will be included in the ANB count
- ANB is lagged one year. Enrollment in FY2002 will not count as ANB until FY2003.
- Interlocal agreements will be established with Dawson, Miles and Flathead community colleges along with Salish Kootenia and Stone Child tribal colleges.

5. Based upon data of Adult Basic Education Program in FY99, an estimated 154 ANB would be generated.

Adult Basic Ed	Total Participants	Estimated * 19 to < 22 Age	Estimated * ANB Count
Dawson C.C.	247	62	31
Miles C.C.	201	50	25
FVCC	419	105	52
Salish K. College	306	77	38
Stone Child College	55	14	7
Total	1,228	307	154

6. Chart above assumes 25% of students are in age range from 19 to 21 based on 1999 GED statistical report. Further assume approximately half the participants could generate enough hours to count as an ANB.

7. If HB416 is approved, the 9-12 ANB count will increase by .76% for FY2003.

8. Under current law, direct state aid will be \$312.304 million in FY 2003. Special education payments will be \$33,899,850 in FY 2003. Guaranteed tax base aid paid to schools will be \$94.362 million in FY2003.

9. Under HB416, direct state aid will be \$313.127 million in FY2003. Guaranteed tax base aid paid to schools will be \$94.622 million in FY2003.

10. HB416 will not significantly impact the enrollment rates of students who are 19 years old or older in the 2001-2002 or 2002-2003 school year.

11. We assume the students would not participate in credit generating classes at the colleges and therefore there would be no additional FTE and state funding generated for community colleges.

FISCAL IMPACT:

	FY2002 Difference	FY2003 Difference
<u>Expenditures:</u>		
Local Assistance – DSA	0	822,819
Local Assistance - GTB	0	288,603
TOTAL	0	\$1,111,422

Funding:

General Fund (01)	0	\$1,111,422
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Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	0	(\$1,111,422)
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

HB 416 increases school district’s general fund budget authority. The increase will provide school districts with up to \$1.8 million in additional general fund spending authority, which will be funded through the above state general fund and increases in local property taxes or other local revenues. Voter approval will be required for any increases in local property taxes.

LONG-RANGE IMPACTS:

If HB416 has the effect of keeping students from dropping out before graduation, the number of students who are 19 years of age or older and enrolled in K-12 public schools is likely to increase. It is unknown how the ANB funding for older students attending public schools, community colleges or tribal colleges will affect dropout rates.